WORKFORCE OBSERVATIONS
FOR MILWAUKEE COUNTY/WOW COUNTIES
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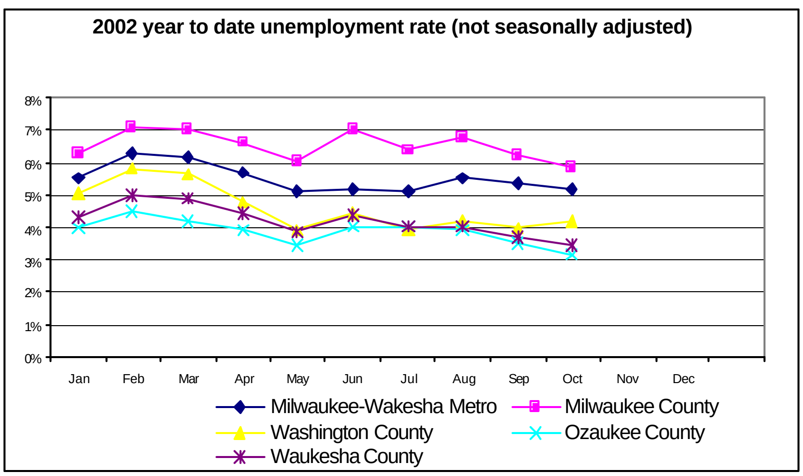
State of Wisconsin
Department of Workforce Development

A Return to Economic Normalcy and a Look to the Future

The month of October marked a continued sense of normalcy in the metropolitan Milwaukee labor market as a pattern of seasonal fluctuations has continued to be observed. For the month ending October 12th, the seasonally adjusted unemployment rate for the Milwaukee-Waukesha Metropolitan Statistical Area, which consists of Milwaukee, Ozaukee, Washington, and Waukesha County was 5.2 percent. This represents a two-tenths of one percent drop from September, when the regional unemployment rate stood at 5.4 percent. In comparison, the metropolitan area continues to lag behind the state as the seasonally adjusted unemployment rate for the State of Wisconsin in October was 4.9 percent, or two-tenths of one percent lower than September. Nationally, the unemployment rate grew by one-tenth of one percent over the course of the month to its current rate of 5.7 percent. Over the course of the past year, the metropolitan unemployment rate stands 0.5 percent above 2001 levels, and the state rate is significantly higher, at 0.8 percent above October 2001.

When analyzing the components of the labor force that contributed to the recent decline, we see that this can be attributed to the combined effect of a decrease in the regional labor force, as well as in the ranks of the unemployed. Over the course of the past month the regional labor force decreased by 600 workers. Similarly, the ranks of the unemployed in the metropolitan area decreased by 1,300 persons in October.



Shifting our focus from the ranks of the unemployed to an analysis of the employment situation in the region, the area experienced significant seasonal fluctuations in a number of key sectors. The industry sector showing the greatest change for the second month in a row is government employment, which increased by over 5,400 positions in the past month. This is primarily the result of late payroll reporting by public school districts in the region, meaning that employment changes related to the beginning of the current school year are still being accounted for in employment data.

With respect to other key industry sectors, construction and mining and manufacturing employment increased marginally over the past month, by 170 and 180 positions, respectively. This again demonstrates a strong resilience in the regional economy and continued strong demand for construction in the residential and commercial sectors. Conversely, significant employment losses were reported in wholesale trade (680 positions) and services (480 positions.) Much of the decrease in service employment can be attributed to the closure of a hotel in the region, an acute healthcare facility, and the transition of airport security services at General Mitchell International Airport from a private contractor to the newly-appointed Transportation Security Administration. This transition also positively impacts government employment in the region. Other industry sectors exhibited marginal, and primarily seasonal fluctuations.

With respect to a longer-term view of the region, a comparison of employment figures from the past month to data for October 2001 again suggests that the Milwaukee-Waukesha economy is in a continued state of industry transition. This is made apparent by the fact that service sector employment has grown by over 8,000 positions over the course of the past year, while traditional industries, such as manufacturing and wholesale trade have experienced persistent declines, scaling back employment by 3,200 and 2,300 positions, respectively.

Looking at the state of the region's four counties, we see a small degree of fluctuation, but a general trend towards stronger local labor markets. The October not-seasonally adjusted unemployment rate for Milwaukee County was 5.9 percent. This represents a decrease of 0.3 percent for the month, and is primarily linked to a significant decrease in the number of unemployed workers in the county, as the number of unemployed decreased by over 1,500 persons. An analysis of industry employment in the county shows a similar pattern of seasonal fluctuation as is observed in the region, as a whole. Again, as noted in the regional analysis, growth in manufacturing and construction are of particular interest as they demonstrate a continued resilience in the county's labor market.

The region's three suburban counties which consist of the WOW Workforce Development Area (Waukesha, Ozaukee,

(Continued on page 2)

(Continued from page 1)
and Washington Counties) show a number of interesting trends. For the month of October, the not-seasonally adjusted unemployment rate for Waukesha, Ozaukee, and Washington County was 3.4 percent, 3.2 percent, and 4.2 percent, respectively. While both Ozaukee and Waukesha County experienced decreases in the local unemployment rate of 0.3 percent and 0.2 percent, the employment situation in Washington County is of particular interest as the county unemployment rate increased by three-tenths of one percent over the course of the past month. An analysis of changes in industry employment in the county shows no significant divergence from trends observed in the region, as a whole, as both construction and manufacturing showed marginal increases and wholesale trade exhibited a slight decline. However, when looking at aggregate data for the county's labor force, we see that Washington County was the only county in the region that experienced an increase in the number of unemployed over the course of the month, resulting in a higher unemployment rate.

The month of November also marks the release of the latest update of the Annual County Profiles produced by the Local Workforce Planning Section of the Department of Workforce Development. These profiles, which have been updated with data from the 2000 Census and 2001 industry data provide a comprehensive picture of the local economy for each of the state's 72 counties, including annual data on industry employment, industry wages, income, poverty, educational attainment, and population. Additionally, the section is currently in the process of preparing updates to the annual Workforce Development Area profiles. As part of this series, a comprehensive analysis of the Milwaukee-Waukesha metropolitan economy will be produced and will be available to the public by the end of 2002.

October 2002	Wisconsin	Milwaukee-Waukesha MSA	Milwaukee County/WDA	Washington County	Ozaukee County	Waukesha County	W-O-W WDA
Civilian Labor Force*	*3,069,000*	*828,800*	*488,547*	*69,728*	*49,557*	*218,377*	*337,662*
Persons Employed	*2,919,400*	*785,700*	*459,758*	*66,793*	*47,977*	*210,859*	*325,629*
Persons Unemployed	*149,600*	*43,100*	*28,789*	*2,935*	*1,580*	*7,518*	*12,033*
Unemployment Rate	*4.9%*	*5.2%*	*5.9%*	*4.2%*	*3.2%*	*3.4%*	*3.6%*
Total jobs of all non-farm industries**	2,868,320	867,317	559,047	47,035	39,182	222,052	308,270
Goods Producing Jobs	704,634	193,895	97,844	17,400	13,125	65,526	96,051
Service Producing Jobs	2,163,686	673,422	461,204	29,635	26,057	156,526	212,218
Construction & Mining	134,037	35,046	14,445	2,724	1,604	16,272	20,601
All Manufacturing	570,597	158,849	83,398	14,676	11,521	49,253	75,451
Transportation, Communications & Public Utilities	133,042	39,826	29,133	1,803	845	8,045	10,693
Wholesale Trade	136,544	45,684	23,510	2,256	1,501	18,416	22,174
Retail Trade	511,319	136,079	84,483	8,469	7,170	35,957	51,596
Finance, Insurance, and Real Estate	153,819	58,735	42,652	1,998	1,968	12,117	16,083
Services	803,977	297,022	213,825	9,452	10,493	63,251	83,197
All Government	424,985	96,076	67,600	5,657	4,079	18,740	28,476
Change from September 2002							
Civilian Labor Force*	*3,200*	*-600*	*-370*	*360*	*-40*	*30*	*350*
Persons Employed	*8,500*	*700*	*1,140*	*170*	*120*	*520*	*810*
Persons Unemployed	*-5,300*	*-1,300*	*-1,510*	*190*	*-150*	*-500*	*-460*
Unemployment Rate	*-0.2%*	*-0.2%*	*-0.3%*	*0.3%*	*-0.3%*	*-0.2%*	*-0.1%*
Total jobs of all non-farm industries**	12,200	4,520	3,220	290	210	800	1,300
Goods Producing Jobs	-3,290	360	170	30	20	140	190
Service Producing Jobs	15,490	4,160	3,050	260	190	660	1,110
Construction & Mining	-1,710	170	70	10	10	80	100
All Manufacturing	-1,580	180	100	20	10	60	90
Transportation, Communications & Public Utilities	-150	-90	-70	0	0	-20	-30
Wholesale Trade	-660	-680	-350	-30	-20	-270	-330
Retail Trade	2,610	-40	-30	0	0	-10	-20
Finance, Insurance, and Real Estate	180	40	30	0	0	10	10
Services	-5,400	-480	-340	-20	-20	-100	-130
All Government	18,910	5,410	3,810	320	230	1,060	1,600
Change from October 2001							
Civilian Labor Force*	*75,990*	*16,760*	*8,360*	*1,550*	*790*	*3,470*	*5,810*
Persons Employed	*48,640*	*12,160*	*6,940*	*1,010*	*720*	*3,180*	*4,910*
Persons Unemployed	*27,360*	*4,600*	*1,420*	*550*	*70*	*290*	*900*
Unemployment Rate	*0.8%*	*0.5%*	*0.2%*	*0.7%*	*0.1%*	*0.1%*	*0.2%*
Total jobs of all non-farm industries**	21,860	4,060	4,080	-90	30	30	-20
Goods Producing Jobs	-7,900	-3,500	-1,810	-320	-250	-1,130	-1,690
Service Producing Jobs	29,760	7,560	5,890	230	280	1,160	1,670
Construction & Mining	1,470	-280	-120	-20	-10	-130	-170
All Manufacturing	-9,370	-3,220	-1,690	-300	-230	-1,000	-1,530
Transportation, Communications & Public Utilities	-1,290	190	140	10	0	40	50
Wholesale Trade	-1,570	-2,350	-1,210	-120	-80	-950	-1,140
Retail Trade	3,650	310	190	20	20	80	120
Finance, Insurance, and Real Estate	2,980	460	330	20	20	90	130
Services	25,380	8,250	5,940	260	290	1,760	2,310
All Government	620	700	490	40	30	140	210

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Figures are rounded and may not sum to totals

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